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November 6, 1997

BY HAND DELIVERY

Mr. William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: In the Matter of Request of the USTA for Waiver of the Commission's Requirements in CC Docket No. 96-128 (Payphone Compensation) and Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128

Dear Mr. Caton:

Please find enclosed for filing an original and four copies of the Reply Comments of the RBOC/GTE/SNET Payphone Coalition on Petitions to Waive Payphone Coding Digit Requirements in the above captioned proceeding.

Please date-stamp and return the extra copy provided to the person delivering this package.

Sincerely,

Michael Kellogg
Michael K. Kellogg

Enclosures

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Request of the)	
United States Telephone Association)	
for Waiver of the Commission's)	
Requirements in CC Docket)	
No. 96-128 (Payphone Compensation))	CC Docket No. 96-128
)	
Implementation of the Pay Telephone)	
Reclassification and Compensation)	
Provisions of the)	
Telecommunications Act of 1996)	

**REPLY COMMENTS OF THE RBOC/GTE/SNET PAYPHONE COALITION
ON PETITIONS TO WAIVE PAYPHONE CODING DIGIT REQUIREMENTS**

The RBOC/GTE/SNET Payphone Coalition files these reply comments to make three short points.

First, the Common Carrier Bureau has already granted a limited waiver (until March 9, 1998) of the requirement of payphone-specific coding digits. See Order, Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket 96-128, DA 97-2162 (rel. Oct. 7, 1997) ("Waiver Order"). The validity of that Waiver Order is not at issue in this proceeding. As Sprint correctly acknowledges, "neither the substantive nor procedural validity of the Bureau's October 7 Order are here at issue." Sprint Comments at 2.

Accordingly, many of the comments filed in this proceeding are simply irrelevant. Those who ask the Commission to rescind the Bureau's order -- see, e.g., CompTel Comments at 3-5; Worldcom Comments at 10-12; MCI Opposition at 4, 9-10; Opposition of Frontier Corporation at 5-7 -- have chosen a procedurally improper vehicle for such a request. See 47 C.F.R. § 1.115 (applications for review of actions taken pursuant to delegated authority shall be filed within 30 days of the public notice of such action). Moreover, when those same companies ask the Commission to assess penalties on the LECs for failure to provide payphone-specific digits on all phones, they ignore the fact that the LECs are all in compliance with the Waiver Order, which grants them until March 9, 1998, to provide such digits.

The main question at issue in this proceeding is whether any additional waiver or waivers should be granted beyond the current March 9, 1998 deadline, especially for non-equal access switches or for other switches or companies for which compliance poses special problems. See AT&T Comments at 3 (the question is whether "to extend the Bureau's sua sponte waiver beyond March 9"). The Coalition anticipates that this issue will be addressed by USTA and by individual companies in their comments. We wish only to stress that the validity of the Bureau's Waiver Order is not at issue here. The Commission must accordingly confine its

analysis to reviewing those comments specifically addressing the waiver requests filed by USTA and various individual LECs.

Second, even if it were at issue here, there should be no question as to the appropriateness of the Waiver Order. Several commenters suggest that the LECs purposely and irresponsibly delayed implementing payphone-specific digits and that any waiver was therefore inappropriate. MCI Opposition at 4-5; Worldcom Comments at 4-6; CompTel Comments at 4. That is pure hypocrisy. There have been significant and legitimate disagreements within the industry about the most appropriate way (legally, technologically, and economically) to fulfill the Commission's mandate. For example, as late as May of this year, AT&T was insisting that the LECs deploy a hard-coded ANI ii digit solution. Letter from E. Estey, Government Affairs Vice-President, AT&T, to Regina Keeney, Chief, Common Carrier Bureau at 3 (May 23, 1997). MCI, by contrast, was taking the position that either Flex ANI or OLNS/LIDB would be sufficient, provided they were offered to carriers for free. It was not until August -- just two months before the Commission's deadline -- that both AT&T and MCI joined forces to argue that Flex ANI, and only Flex ANI, was the answer to the problem of payphone-specific coding digits. Response of AT&T and MCI to LEC ANI Coalition Ex Parte, at 4 n.4 (August 13, 1997).

Under these circumstances, as detailed in all the prior pleadings and ex parte letters submitted in this matter, there was clearly good cause for a waiver. As the Bureau noted, the industry has made significant strides in resolving the payphone-specific digit requirements, and it would be inequitable to deny PSPs per-call compensation while these implementation issues continue to be resolved. Waiver Order ¶¶ 10-11. Moreover, the waiver only affects a minority of payphones and, as the Bureau has stated, "will not preclude IXCs from identifying payphone calls for the purpose of determining the number of calls for which compensation is owed." Id. ¶ 12.

The Bureau also has concluded that the carriers' inability to block calls during the waiver period is insufficient grounds for denying a waiver. See Worldcom Comments at 8-9. As the Bureau explicitly recognized, while a waiver might require the carriers to pay per-call compensation on calls they would be unable to block, any harm to the IXCs would be less than the potential harm to PSPs of delaying per-call compensation. Id. ¶ 13. In short, the limited waiver granted by the Bureau was plainly in the public interest.

Third, there is simply no reason to relieve AT&T of its per-call compensation obligations during the waiver period. The Coalition agrees with many of the points made by the APCC in its comments on AT&T's proposal that IXCs be allowed to pay per-phone

compensation during the waiver period on phones that do not transmit payphone-specific digits. See Coalition Comments at 3-4; APCC Comments at 21-24. As the APCC points out, AT&T has failed to provide a convincing explanation as to why it could not use LIDB/OLNS or an ANI "matching" technique to pay per-call compensation during the waiver period. APCC Comments at 21-24.

If the Commission nonetheless grants AT&T a waiver, the Coalition agrees with the APCC that any such waiver should be subject to strict conditions. Id. at 24-34; see also Coalition Comments at 4-10. In particular, the Coalition agrees that the Commission should not grant such a waiver without simultaneously resolving the issue of interim compensation. APCC Comments at 21-26. The same sort of payment mechanism (identifying carriers subject to the obligation and determining their percentage contribution) will have to be established for the AT&T waiver as for the interim compensation due for the period up to October 7, 1997. There is no reason not to resolve both issues at the same time. And to ensure that the carriers finally meet their compensation obligations -- including the payment of these long overdue interim compensation amounts -- the Commission should condition any waiver to AT&T (and any other qualifying carrier) on its prompt payment of all current and future compensation obligations.

Moreover, the Coalition agrees that any carriers seeking to use the waiver should be required to pay all such compensation on a monthly basis. Id. at 25-26.

Finally, the Coalition believes that carriers should be required to pay per-call compensation wherever possible. To the best of the Coalition's knowledge, most carriers are perfectly capable of tracking all types of calls and should be required to pay per-call compensation accordingly. Moreover, the only carriers to claim to the contrary -- AT&T and Frontier -- concede they can track all calls except subscriber 800 calls (and perhaps dial-around calls). As the Coalition explained in its opening comments, these two carriers (and any others who certify they cannot track specific types of calls) should pay a per-phone payment based on the average number of "untrackable" calls they carry;¹ all other types of calls are trackable and properly compensated on a per-call basis. Coalition Comments at 7-8. Requiring per-call compensation wherever possible removes any possibility that the IXC's will be able to pick and choose whether to pay per-phone or per-call compensation, APCC Comments at 28-29, and best comports with the spirit and the letter of the Commission's payphone orders. See id. at 33 (if "flat-rate

¹. Like the APCC, the Coalition believes that per-phone compensation should be based on current estimates of the average number of subscriber 800 (and, if appropriate, dial-around) calls from "smart" payphones. APCC Comments at 30-32.

compensation is paid only for subscriber 800 calls . . . [this] will move the system closer to per-call compensation at an earlier date.").

Respectfully submitted,



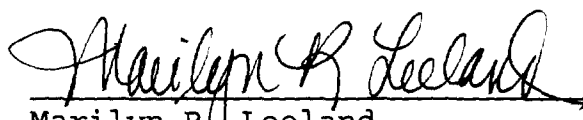
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Counsel for the RBOC/GTE/SNET
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November 6, 1997

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of November, 1997, I caused copies of the foregoing Reply Comments of the RBOC/GTE/SNET Payphone Coalition on Petitions to Waive Payphone Coding Digit Requirements to be served upon the parties on the attached service list by first-class mail.


Marilyn R. Leeland

SERVICE LIST

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